

THE GEORGE GILDER REPORT

A Bonus Moonshot Play

In my premium service *George Gilder's Moonshots*, my team of analysts and I uncovered an opportunity that has already made readers upwards of 74% in gains.

So I thought it would make the perfect opportunity to share with a small group of *Gilder Report* readers.

Now, it's very likely that you experience **Synaptics Incorporated (NASDAQ: SYNA)** technology every day, even though you may never have heard of the company. That's because Synaptics is an "ingredient" brand — a key enabling component of better-recognized products.

Like Apple's Siri, for example. And Amazon's Alexa.

Synaptics made its mark as the leading developer of human interface solutions — the technologies that produce the magic of touch, sight, and sound. In short, it's created many of the ways that you interact with your laptop, tablet, smartphone, or smart speaker.

This is the company that pioneered "capacitive-touch sensing" — better known as the touchpad — that allows you to swipe and pinch the Gorilla Glass on your mobile devices. The company also provides voice processing (far-field voice DSPs) for your Alexa device and the fingerprint sensors that authenticate your biometrics.

Indeed, the company's founders, who also happened to be pioneers in machine learning and artificial neural networks, have taught smart devices to feel, hear and see.

A fabless semiconductor company, Synaptics also designs digital headset SoCs (systems on a chip) and imaging chips, among other products.

Synaptics Regains its Innovation Mojo

I chronicled the company's early days in my book, *The Silicon Eye*, published in 2005. A Silicon Valley darling, Synaptics was founded by Intel Corporation pioneers, Federico Faggin — the designer of the first commercial micro-processor (the Intel 4004) and a co-founder of Zilog — and the legendary Carver Mead of Caltech.

Their initial vision was to create a new generation of AI through neuromorphic analog circuitry, that is, to create a general-purpose neural network processor with programmable synaptic weights. In other words, they set out to create a new generation of silicon processors that mimic the workings of the human brain. From those roots of machine cognition, the company flourished, with numerous high-profile design wins.

But fast-forward to March 15 of this year. While things appeared to be going swimmingly for the company, the proverbial you-know-what hit the fan.

In keeping with all that one would expect of the Ides of March, in one fell swoop, the company announced a whopping \$124 million loss — and the resignation of its longtime CEO, Rick Bergman. Investors were shell-shocked.

And there the company languished. Until August of 2019.

On August 5, after a long search for Bergman's replacement, Synaptics found its man in Michael Hurlston, its new president and chief executive officer.

Hurlston is a heavyweight tech executive with a remarkable track record in growing large businesses to achieve consistent profitable growth and market penetration.

Hurlston truly embodies the leadership qualities needed to:

1. Right the ship and get the company back on track.
2. Drive the company's next wave of growth.

Hurlston notes the company's pivotal point in its history, while also acknowledging its strengths. He says:

“Synaptics clearly has the foundational elements. To grow, including IP, employee talent, partnerships, and customer relationships. I’m really looking forward to leveraging my experience in leading the company’s transformation strategy and drive shareholder value.”

Indeed, there is much for the company to be optimistic about.

Where will the growth come from? A revamped product mix – with the larger internet of things (IoT) ecosystem taking a prominent position – while keeping to its roots in machine cognition.

While the company continues to lead advances in human interface technology, it’s also using digital deep neural network technologies in its quest to enable the next big evolution in human-machine interfaces (HMI) – “ambient computing” – bringing cognitive intelligence everywhere.

As a longtime observer of the company, I look forward to its next chapter – one defined by neuromorphic-enabled prosperity.

To view my official recommendation, you can sign up for my Moonshots service where readers have the chance to profit from the next big breakthroughs in tech – such as Synaptics.

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